

**CONSUMER ASSISTANCE DIVISION**  
**1997 STATISTICAL SUMMARY**



**STATE OF MAINE**  
**PUBLIC UTILITIES COMMISSION**

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## **I. EXECUTIVE SUMMARY**

The Consumer Assistance Division (CAD) handled 9,789 consumer contacts in 1997, which is up 20% from the 7,778 contacts received in 1996. These contacts included 6,781 requests for information, up 30% from the 4,716 requests received in 1996; 1,229 complaints, down slightly from the 1,403 received in 1996; and 1,779 requests for permission to disconnect electric and gas customers during the 1996-'97 winter period. In addition, the Division received 11 requests for exemption from PUC consumer-assistance rules and issued 47 decisions abating over \$16,000.00 to utility customers.

## **II. CONSUMER ASSISTANCE DIVISION (CAD)**

The Consumer Assistance Division (CAD) is the Commission's primary link with utility customers and is charged with ensuring that customers, utilities, and the public receive fair and equitable treatment through education, complaint resolution, and evaluation of utility compliance with consumer protection rules. As part of this mission, the CAD is responsible for educating the public and utilities about consumer rights and responsibilities and other utility-related consumer issues, for investigating and resolving disputes between consumers and utilities, and evaluating utility compliance with State statutes and Commission rules.

## **III. YEAR IN REVIEW**

The past year has been a busy one for the CAD. To be more responsive to customers and utilities, the CAD established goals to answer all customer calls live and to settle as many complaints as possible the day they are received. To achieve this, the CAD transitioned from a consumer hotline call distribution system utilizing a single staff person to answer calls and disseminate complaints to other staff, to a system where all CAD specialists handle consumer information and complaint calls live. This change represents a major transition from only a few years ago when most calls were received by an answering machine and later returned. The CAD also changed its primary dispute resolution method from one based on a comprehensive review of utility information and the creation of an extensive record to a more consumer-friendly method based on mediation, consensus and immediate resolution of the dispute. This process is based on the immediate initiation of a three-way conference call between the customer, the utility, and the CAD Specialist and is designed to resolve all issues before the call ends. The mediation process has reduced the data exchanged between the utilities and CAD, has shortened the average settlement time for disputes eligible for mediation from weeks to days, and has reduced the number of CAD decisions appealed to the Commission.

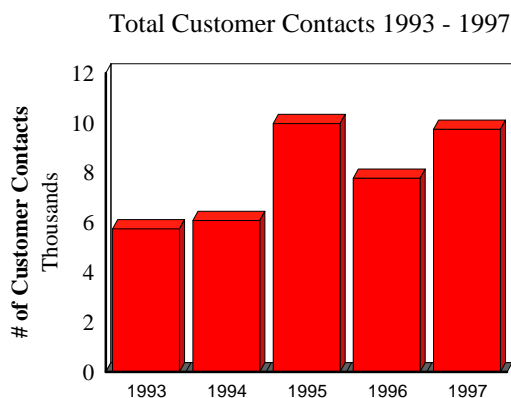
To educate consumers of their choices and responsibilities in a competitive utility market, the CAD increased its consumer education efforts this past year by releasing several consumer bulletins, creating its own Internet web site, and participating in a State-wide telephone consumer education campaign. The consumer bulletins alerted consumers to deceptive marketing practices by telecommunications carriers, and advised consumers on using directory assistance and shopping for telephone service. The CAD web site provides valuable information to utility

consumers regarding their rights and responsibilities, a different consumer tip each month covering a current utility issue, and a consumer comment box where consumers can ask questions and express their opinions.

The CAD also educated utilities by conducting several training workshops and by issuing three CAD bulletins. The workshops were held for the Maine Rural Water Association and covered the Commission's consumer protection rules. The bulletins provided information to the state's utilities regarding compliance with the Commission's rules for conducting meter tests, winter disconnection, and medical emergencies.

Consumers now have the opportunity to shop around and choose the best deal for their in-state and out-of-state toll service, and soon will be able to choose their natural gas and electricity providers. Along with an opportunity for savings, there will be potential pitfalls for customers. Consumers will need to make informed choices regarding the services they desire and be wary of deceptive marketing practices by companies vying for their business. The measures that the CAD has taken should help ensure that consumers have the information and the assistance they need to fully benefit from a competitive marketplace.

Figure I



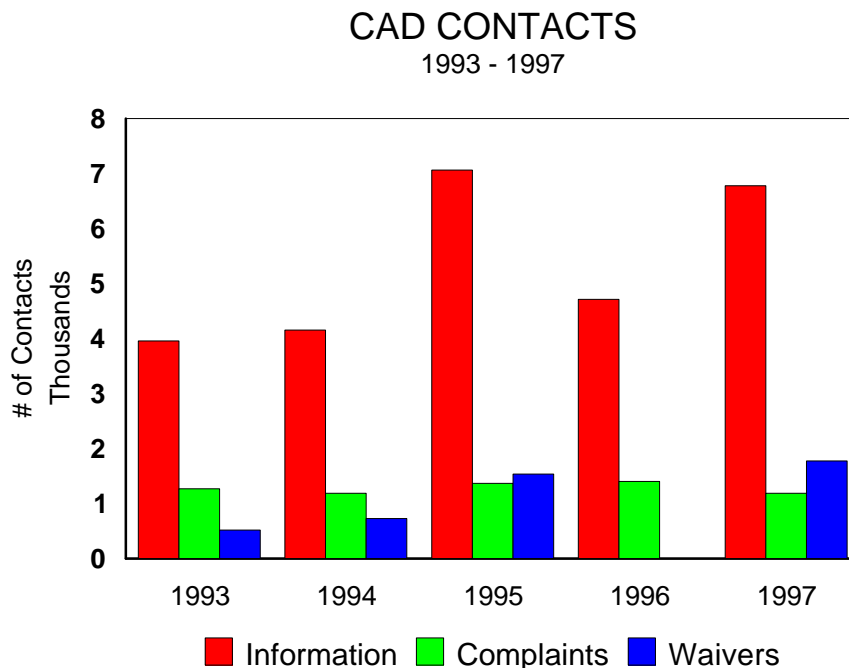
#### IV. CONSUMER ASSISTANCE SERVICES

**Consumer Contacts.** The CAD has experienced steady increase in the overall consumer contacts over the last several years, as demonstrated in Figure I. The CAD handled 9,789 consumer contacts in 1997, which is up 21% from 7,778 consumer contacts received in 1996. These contacts included 6,781 information requests, 1,229 complaints, and 1,779 winter requests to disconnect. The number of information requests were up 30% from the 4,716 received in 1996, the complaints were down slightly from the 1,403 received in 1996, and the winter requests to disconnect were up 14% from the number of requests received in 1995.<sup>1</sup> Total contacts include informational requests from rate payers, mediation requests by residences and

<sup>1</sup> Winter disconnect figures for 1996 were unavailable

businesses having disputes with utilities, and requests for authorization to disconnect customers who are experiencing payment problems during the winter.

Figure II



**Informational Contacts.** These contacts include requests for information about recent Commission decisions and their impact on rate payers, questions about utility billing practices, requests for information about rate payer rights and responsibilities, requests for guidance on resolving disputes with utilities, and information about sources of assistance for low-income customers who are having trouble paying their bills.

As seen in Figure II, requests for information by rate payers represented a significant portion of the overall increase in the number of customer contacts received in 1997. An increasing trend of information contacts is demonstrated in Figure 1, with requests increasing by 41% in 1995, 12% in 1996, and 39% in 1997, over 1994 levels.

The CAD handled 6,781 information contacts 1997, this is a 30% increase over the 4,716 information contacts handled in 1996. The increase in information contacts is part of a general trend that has been evident for several years, as can be seen in Figures I & II. This trend is attributable to the changes and uncertainties for consumers associated with increasing competition among the utilities serving Maine rate payers, and the CAD's emphasis on resolution of customer disputes with utilities through mediation over the telephone, rather than through a lengthy complaint process.

The increase in information contacts in 1995 above the general trend was due to: 1) a change in the call answering procedures in the Consumer Assistance Division; and 2) the

estimated billing programs initiated by Central Maine Power Company and Bangor Hydro-Electric Company. The call answering change within the CAD resulted in a greater number of calls being answered "live," but also increased the number of calls received from customers who were trying to reach their utility, but who called the PUC 1-800 number instead. An upfront message was added in 1996 that notified callers they had reached the Maine Public Utilities Commission, and not their utility, prior to forwarding the call to a live person to ensure that callers are immediately directed to the organization whose assistance they seek. This measure has significantly reduced the number of calls the CAD receives that are meant for utilities. The estimated billing programs initiated by Central Maine Power Company and Bangor Hydro-Electric Company were controversial and generated numerous customer calls. Consumer complaints about the CMP and BHE estimated billing programs led to several program modifications to correct for overbilling. Both BHE and CMP have since abandoned their estimated billing programs.

**Consumer Complaints.** The Consumer Assistance Division defines a complaint as a dispute between a utility and a customer that the customer has attempted to resolve with the utility, without success. Only once the consumer and utility cannot reach a mutually agreeable resolution of the issue will the Consumer Assistance Division accept a complaint and mediate the dispute. Consumer complaints do not necessarily indicate that a utility has done something wrong in serving a customer. Some complaints are filed by consumers, even though the utility has made a reasonable attempt to resolve the problem. The Consumer Assistance Division will still attempt to mediate these cases, but if reasonable attempts were made by the utility to resolve the problem, the Consumer Assistance Division will find in favor of the utility and not change the terms of the resolution originally proposed by the utility.

Consumer complaints against utilities decreased slightly in 1997 below 1996 levels. This decrease was attributable to the CAD's continued efforts to provide consumers with the information they need to resolve problems directly with their utilities (only after the consumer and the utility have tried all reasonable efforts to resolve their complaint with utility staff will CAD accept a request for assistance) and the CAD's new live call complaint resolution process described earlier in this report. The purpose of the new complaint resolution process is to increase the speed of consumer complaint resolution and to increase the number of customers the CAD is able to assist, since the volume of calls the CAD is receiving continues to grow. Many of the disputes that would have been accepted as complaints under the previous complaint resolution process are resolved informally and immediately over the phone under the new complaint resolution process.

As seen in Figure III, the vast majority of complaints filed in 1997 (approximately 90%) continued to be against electric and phone utilities, with Maine's electric utilities generating 50% of the complaints and telephone utilities generating 39% of the complaints.

**Complaints Closed in 1997.** Almost 60% of all complaints closed in 1997, as seen in Figure IV, were related to actual or threatened disconnection, 23% were related to billing problems, and 14% were related to service problems.

Figure III

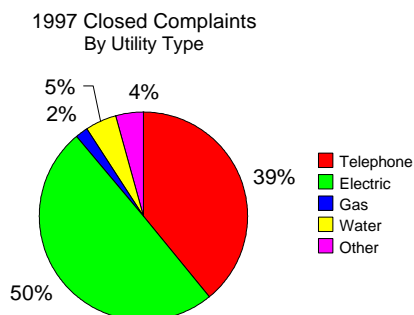
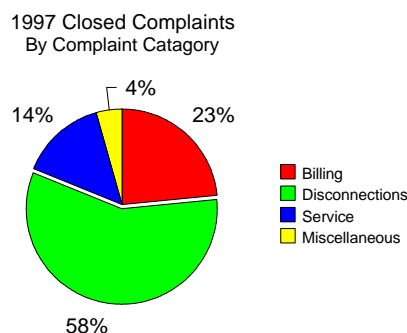


Figure IV



**Appeals of CAD Decisions.** Consumers appealed 45 CAD decisions to the Commission in 1997, up from 37 appeals filed in 1996.<sup>2</sup> Appeals of CAD decisions are reviewed by the Commission's Legal Division, and are decided by the Commissioner.

**Requests for winter disconnection.** CAD received 1,779 requests from utilities to disconnect customers from electric or gas service during the winter of 1996-'97. This is a 14% increase in requests over the winter of 1994-'95.<sup>3</sup> An increase in requests by CMP drove the jump, as it submitted 15% more requests in 1997-'96 than in 1994-'95, for a total of 1,722. Of the winter 1996-'97 requests, 28% were granted and 72% were denied. The majority of the requests were denied because the CAD established a payment arrangement for the customer pursuant to the winter disconnection rule avoiding the need for disconnection. It appears that CMP could have significantly reduced the number of requests to disconnect it submitted if it had been more willing to negotiate payment arrangements with customers prior to filing a request to disconnect with the CAD.

<sup>2</sup> It was stated earlier in this report that the new mediation process had reduced the number of appeals of CAD decisions to the Commission. This is true for the cases that were resolved through mediation. Cases that were not resolved through mediation had a higher appeal rate than those resolved through mediation.

<sup>3</sup> The winter request information for 1995-96 is unavailable.

## Utility Compliance Review.

**Abatelements.** As a result of complaint investigations completed in 1997, the Division issued 47 decisions ordering more than \$16,000.00 in abatelements to consumers. In addition, individual CAD complaint decisions also led utilities to abate charges to other similarly affected customers.

**Violations.** The CAD issued 17 citations to utilities for violations of PUC consumer protection rules in 1997 (see Table #1 ), which is slightly higher than the 15 citations issued in 1996.

**Table #1**

<u>Company</u>	<u># of Violations</u>
Central Maine Power Company	12
Bangor Hydro-Electric Company	1
Bell Atlantic	3
Mid-Maine Telecom	<u>1</u>
	<b>17      Total</b>

**Investigations launched.** Consumer complaints against Pine Tree Telephone and Telegraph Company and China Telephone Company led to a Commission investigation into the fees that local exchange carriers charge customers to change their presubscribed toll carrier. The investigation revealed that Pine Tree, China, Union River Telephone Company, CommTel, Maine Telephone Company, and Standish Telephone Company were charging customers fees in excess of the National Exchange Carriers Association (NECA) tariff rate of \$5.00 for each such change. The carriers ceased assessing fees in excess of the \$5.00 NECA fee and have agreed to refund over \$107,000.00 to customers as a result of the Commission investigation.

**Exemptions.** The CAD received 11 requests from utilities seeking exemption from Commission consumer protection rules for individual cases during 1997, slightly up from the seven requests received during 1996. The CAD granted three of the requests and rejected six of the requests, with one request remaining active and one request becoming moot.

## V. COMPANY COMPLAINT PROFILES

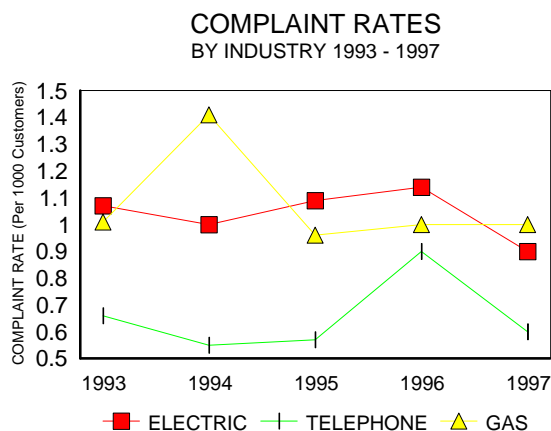
This section provides profiles of the performance of Maine utilities with respect to consumer complaints closed. Closed complaint figures are used to evaluate utility performance because some complaints may be withdrawn or changed to an information contact; or the company the complaint is filed against may change as more information is gathered.

This section is organized by industry type. Both the major utilities and any smaller



ones with a significant number of consumer complaints filed against them are included. See Appendix A for a compilation of all utilities and the number of complaints that were closed in 1997. See Figure V for details regarding industry complaint rates.

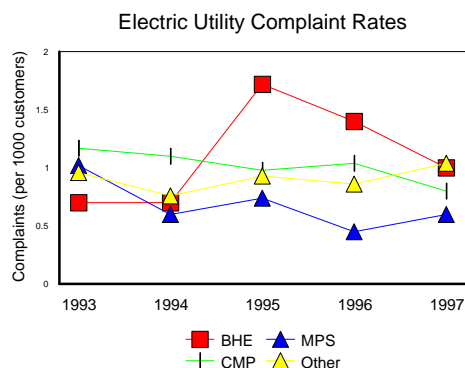
Figure V



## ELECTRIC INDUSTRY

The CAD closed 588 complaints against electric utilities in 1997, down 24% from the 774 complaints closed against electric utilities in 1996. This reduction is at least partly attributable to the CAD's new complaint resolution process described earlier in this report. This assumption is demonstrated by the increased number of consumer contacts received in 1997 (as compared to 1996) and the decreased number of complaints. Many disputes that would have been taken as complaints under the CAD's former complaint resolution process were resolved informally and immediately over the telephone under the CAD's new complaint resolution process. The decrease in complaints closed in 1997 is also reflected in a decrease in the complaint rate for the electric industry in 1997. This decrease followed a trend of a slowly increasing complaint rate the electric industry had experienced from 1994 through 1996, as demonstrated in Figure VI. The decrease in the complaint rate for the electric industry can be partly attributed to the same factors that led to the decrease in closed complaints for 1997.

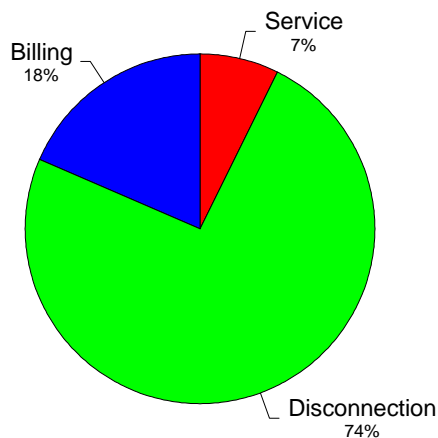
Figure VI



### Central Maine Power Company

Central Maine Power had 440 complaints closed against it in 1997. This was a 22% reduction from the number of complaints closed against it in 1996 (565). As shown in Figure VII, of the complaints closed in 1997: 74% were for disconnection of service, this being slightly higher than the 70% for disconnection's in 1996; 19% were for billing complaints, remaining consistent with the percentage of billing complaints received in 1996 (18%); and 7% were for service complaints in 1997, slightly lower than the percentage of service complaints received in 1996 (11%). CMP had a complaint rate of 0.80 complaints per 1000 customers in 1997, this being slightly lower than the complaint rate for 1996 of 1.07 complaints per 1000 customers.

Figure VII



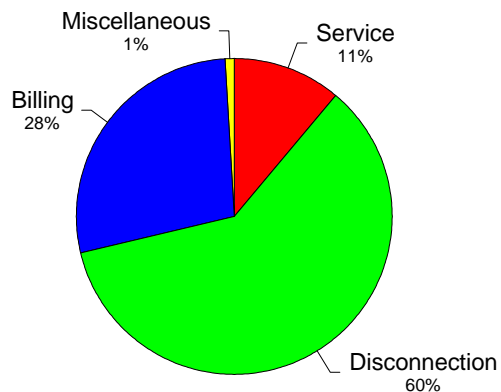
### Bangor Hydro-Electric Company

Bangor-Hydro had 108 complaints closed against it in 1997. This was a 36% reduction in the number of complaints closed in 1996 (165). This decrease is due in part to the termination of BHE's estimated billing program, as well as the CAD's new complaint resolution process. The estimated billing program was initiated in 1995 and increased the number of complaints filed against Bangor Hydro in 1995 by 150% over the number of complaints filed in 1994. This reduction may also be attributable in part to Bangor Hydro converting to a new billing and collection computer system.

As seen in Figure VIII, 60% of the complaints closed against Bangor Hydro were related to disconnection's or pending disconnection's, 28% were for billing complaints, and 11% were for service complaints. These numbers are consistent with percentages for complaints filed in 1996.

Complaint statistics for the remaining electric utilities are summarized in Appendix A.

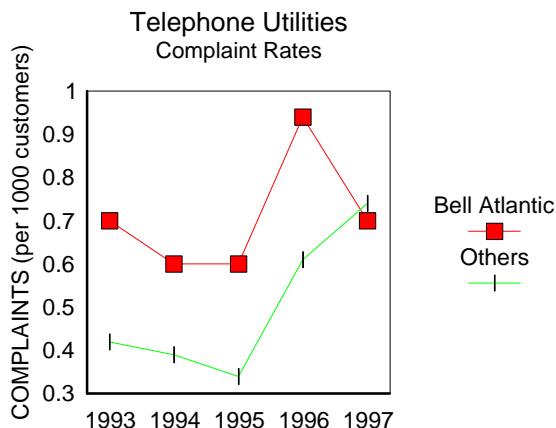
Figure VIII



## TELEPHONE INDUSTRY

The telephone utilities as a group had 418 complaints closed against them during 1997. This is down 29% from the 591 consumer complaints closed in 1996, with the decrease attributable to a decrease in the number of complaints settled against Bell Atlantic from 511 in 1996 to 361 in 1997. This again is at least partly attributable to the CAD's new complaint resolution process.

Figure IX



## BELL ATLANTIC

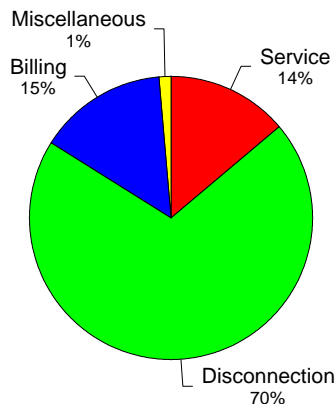
As discussed previously, Bell Atlantic had 361 complaints closed against it during 1997, which was down 29% from the 511 complaints closed in 1996. This reduction is attributable to Bell Atlantic's increased emphasis on resolving complaints in-house and the CAD's new complaint resolution process. Bell Atlantic promoted this effort by hiring additional customer representatives and by providing their customer representatives with the authority to negotiate resolutions to customer complaints, rather than limiting that authority to supervisors. In addition, many disputes that would have been taken as complaints under the CAD's former complaint resolution process were resolved informally and immediately over the telephone under the CAD's new complaint resolution process. This conclusion is further supported by the increased number of customer contacts received in 1997 (over 1996) and the lower number of complaints received.

As seen in Figure X, of the 361 complaints filed against Bell Atlantic, 70% were related to threatened or actual disconnections, 15% were for billing problems, and 14% were for service-related issues. This complaint distribution is consistent with the Bell Atlantic's complaint distribution for 1996.

The complaint rates have been consistently higher for Bell Atlantic than the other telephone utilities as seen in Figure X, though its complaint rate trend remains consistent.

Figure X

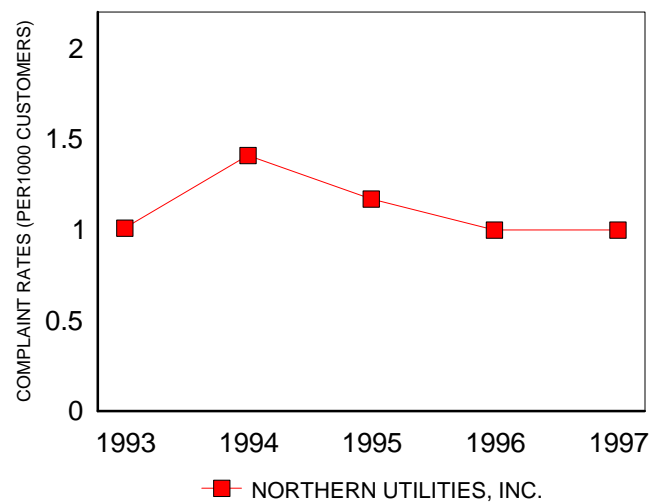
Bell Atlantic Complaint Types



## NATURAL GAS INDUSTRY

The sole supplier of natural gas in Maine is Northern Utilities, Inc.(NUI). The number of complaints closed against NUI remained relatively constant from 1995 through 1997 with 19 complaints closed in 1995, 20 complaints closed in 1996, and 23 complaints closed in 1997. The complaint rate for NUI, as shown in Figure XI below, has also remained constant with 1.0 complaints filed per 1,000 customers in both 1996 and 1997.

Figure XI



## LOOKING FORWARD TO 1998

Expectations for 1998 are that consumer contacts will continue to rise as competition in the electric and natural gas industries draws near and competition in the telecommunications industry increases. Consumers will need quick and easy access to information regarding their options and responsibilities in a competitive marketplace to take advantage of the opportunities that competition can provide. Consumers will also need a fast and efficient means to resolve disputes with utilities to allow a smooth transition from a highly regulated monopoly environment to a competitive market. To meet these needs, the CAD will continue to examine ways to streamline its complaint resolution process to reduce the amount of time it takes to resolve disputes. Considering the comprehensive measures the CAD has already taken to increase its efficiency, it will be a difficult challenge for the CAD to further increase its efficiency to continue providing the high quality customer service it currently provides in the upcoming years.

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